

Senate File 2213 - Introduced

SENATE FILE 2213

BY SODDERS

A BILL FOR

1 An Act authorizing counties to impose a local tourism tax
2 following approval at election and establishing a local
3 tourism tax fund.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 331.402, subsection 2, Code 2014, is
2 amended by adding the following new paragraph:

3 NEW PARAGRAPH. *0g.* Impose a local tourism tax in accordance
4 with chapter 423A.

5 Sec. 2. Section 331.427, subsection 1, unnumbered paragraph
6 1, Code 2014, is amended to read as follows:

7 Except as otherwise provided by state law, county revenues
8 from taxes and other sources for general county services shall
9 be credited to the general fund of the county, including
10 revenues received under sections 9I.11, 101A.3, 101A.7, 123.36,
11 123.143, 142D.9, 176A.8, 321.105, 321.152, 321G.7, 321I.8,
12 section 331.554, subsection 6, sections 341A.20, 364.3, 368.21,
13 423A.7, 423A.7A, 428A.8, 433.15, 434.19, 445.57, 453A.35,
14 458A.21, 483A.12, 533.329, 556B.1, 583.6, 602.8108, 904.908,
15 and 906.17, and the following:

16 Sec. 3. Section 423A.3, Code 2014, is amended to read as
17 follows:

18 **423A.3 State-imposed hotel and motel tax.**

19 A tax of five percent is imposed upon the sales price for
20 the renting of any lodging if the renting occurs in this state.
21 The tax shall be collected by any lessor of lodging from the
22 user of that lodging. The lessor shall add the tax to the
23 sales price of the lodging, and the state-imposed tax, when
24 collected, shall be stated as a distinct item, separate and
25 apart from the sales price of the lodging and the local tax
26 imposed, if any, under section 423A.4 or section 423A.4A.

27 Sec. 4. NEW SECTION. **423A.4A Local tourism tax — election.**

28 1. A county may impose by ordinance of the board of
29 supervisors a local tourism tax, at a rate of one percent,
30 which shall be imposed upon the sales price from the renting
31 of lodging. The tax when imposed shall apply within the
32 boundaries of the county.

33 2. The question of imposition or repeal of a local tourism
34 tax may be submitted to the registered voters of the county
35 at an election held on a date specified in section 39.2,

1 subsection 4, paragraph "a". Within ten days of the election
2 at which a majority of those voting on the question favors
3 the imposition or repeal of the local tourism tax, the county
4 auditor shall give written notice by sending a copy of the
5 abstract of votes from the favorable election to the director
6 of revenue.

7 3. A local tourism tax shall be imposed on January 1 or
8 July 1, following the notification of the director of revenue.
9 Once imposed, the tax shall remain in effect for a minimum of
10 one year. A local tourism tax shall terminate only on June
11 30 or December 31. At least forty-five days prior to the tax
12 being effective or prior to the repeal of the tax, a county
13 shall provide notice by mail of such action to the director of
14 revenue. The director shall have the authority to waive the
15 notice requirement.

16 4. A county shall impose or repeal a local tourism tax only
17 after an election at which a majority of those voting on the
18 question favors imposition or repeal. However, a local tourism
19 tax shall not be repealed if obligations are outstanding which
20 are payable as provided in section 423A.7A, unless funds
21 sufficient to pay the principal, interest, and premium, if any,
22 on the outstanding obligations at and prior to maturity have
23 been properly set aside and pledged for that purpose. The
24 election shall be held at the time of the general election or
25 at a special election called for that purpose.

26 Sec. 5. Section 423A.5, subsection 2, unnumbered paragraph
27 1, Code 2014, is amended to read as follows:

28 There is exempted from the provisions of this chapter and
29 from the computation of any amount of tax imposed by section
30 423A.4 or section 423A.4A all of the following:

31 Sec. 6. Section 423A.6, Code 2014, is amended to read as
32 follows:

33 **423A.6 Administration by director.**

34 1. a. The director of revenue shall administer the state
35 and hotel and motel tax, the local hotel and motel tax, and

1 the local tourism tax as nearly as possible in conjunction
2 with the administration of the state sales tax law, except
3 that portion of the law which implements the streamlined sales
4 and use tax agreement. The director shall provide appropriate
5 forms, or provide on the regular state tax forms, for reporting
6 state ~~and~~ hotel and motel tax liability, local hotel and motel
7 tax liability, and local tourism tax liability. All moneys
8 received or refunded one hundred eighty days after the date on
9 which a city or county terminates its local hotel and motel tax
10 or a county terminates its local tourism tax, and all moneys
11 received from the state hotel and motel tax shall be deposited
12 in or withdrawn from the general fund of the state.

13 b. Beginning the first day of the calendar quarter beginning
14 on the reinvestment district's commencement date, the director
15 of revenue shall, subject to remittance limitations established
16 by the economic development authority board pursuant to section
17 15J.4, subsection 3, transfer from the general fund of the
18 state to a district account created in the state reinvestment
19 district fund for each reinvestment district established
20 under chapter 15J, the new state hotel and motel tax revenue,
21 determined in section 15J.5, subsection 2, paragraph "b", in
22 the district. Such transfers shall cease pursuant to section
23 15J.8.

24 2. The director, in consultation with local officials,
25 shall collect and account for a local hotel and motel tax and
26 shall credit all revenues to the local transient guest tax fund
27 created in section 423A.7. The director in consultation with
28 local officials shall collect and account for a local tourism
29 tax and shall credit all revenues to the local tourism tax
30 fund created in section 423A.7A. Local authorities shall not
31 require any tax permit not required by the director of revenue.

32 3. Section 422.25, subsection 4, sections 422.30, 422.67,
33 and 422.68, section 422.69, subsection 1, sections 422.70,
34 422.71, 422.72, 422.74, and 422.75, section 423.14, subsection
35 1, and sections 423.23, 423.24, 423.25, 423.31, 423.33,

1 423.35, 423.37 through 423.42, and 423.47, consistent with the
2 provisions of this chapter, apply with respect to the taxes
3 authorized under this chapter, in the same manner and with the
4 same effect as if the state and local hotel and motel taxes
5 and the local tourism tax were retail sales taxes within the
6 meaning of those statutes. Notwithstanding this subsection,
7 the director shall provide for quarterly filing of returns and
8 for other than quarterly filing of returns both as prescribed
9 in section 423.31. The director may require all persons who
10 are engaged in the business of deriving any sales price subject
11 to tax under this chapter to register with the department.
12 All taxes collected under this chapter by a retailer or any
13 individual are deemed to be held in trust for the state of Iowa
14 and the local jurisdictions imposing the taxes.

15 Sec. 7. NEW SECTION. **423A.7A Local tourism tax fund.**

16 1. A local tourism tax fund is created in the department
17 which shall consist of all moneys credited to such fund under
18 section 423A.6.

19 2. All moneys in the local tourism tax fund shall be
20 remitted at least quarterly by the department, pursuant to
21 rules of the director of revenue, to each county in the amount
22 collected from businesses in the county.

23 3. Moneys received by the county from this fund shall be
24 credited to the general fund of the county, subject to the
25 provisions of subsection 4.

26 4. The revenue derived from any local tourism tax authorized
27 by section 423A.4A shall be used for the acquisition by the
28 county of sites for, or constructing, improving, enlarging,
29 equipping, repairing, operating, or maintaining of, recreation,
30 convention, cultural, or entertainment facilities including
31 but not limited to memorial buildings, halls and monuments,
32 civic center convention buildings, auditoriums, coliseums,
33 and parking areas or facilities located at those recreation,
34 convention, cultural, or entertainment facilities. In
35 addition, the revenue derived from a local tourism tax may

1 be used by the county to pay principal and interest on bonds
2 issued by the county for purposes of section 423A.7, subsection
3 4, paragraph "a", or for the promotion and encouragement of
4 tourism and convention business in the county.

5

EXPLANATION

6

The inclusion of this explanation does not constitute agreement with
7 the explanation's substance by the members of the general assembly.

7

8 This bill authorizes a county to impose by ordinance a
9 local tourism tax at a rate of 1 percent upon the sales price
10 from the renting of lodging. If imposed, a local tourism tax
11 applies within the boundaries of the county. Under the bill, a
12 county shall impose or repeal a local tourism tax only after an
13 election at which a majority of those voting on the question
14 favors imposition or repeal.

15 The bill requires the director of revenue to administer the
16 local tourism tax as nearly as possible in conjunction with
17 the administration of the state sales tax law. The bill also
18 requires the director of revenue to collect and account for
19 the local tourism tax and to credit all revenues to the local
20 tourism tax fund created in the bill. All moneys in the local
21 tourism tax fund must be remitted at least quarterly by the
22 department of revenue to each county in the amount collected
23 from businesses in the county.

24 The revenue derived from any local tourism tax authorized
25 in the bill shall be used for the acquisition of sites for,
26 or constructing, improving, enlarging, equipping, repairing,
27 operating, or maintaining of, recreation, convention,
28 cultural, or entertainment facilities and parking areas or
29 facilities located at those recreation, convention, cultural,
30 or entertainment facilities. In addition, the revenue
31 derived from a local tourism tax may be used by the county in
32 conjunction with the county's expenditure of local hotel and
33 motel tax revenue for county purposes specified in Code section
34 423A.7(4)(a).